

NHRS Legislative Committee Meeting
March 29, 2012

Note: These public minutes from the March 29, 2012, Legislative Committee meeting were approved and executed at the June 5, 2012, Committee meeting.

**Legislative Committee
of the
Board of Trustees
March 29, 2012**

THE PUBLIC MINUTES

**New Hampshire Retirement System
54 Regional Drive
Concord, NH**

Committee Members: Tara Reardon, *Chair*; Kate McGovern, Ph.D.; Jack Wozmak, *all telephonically*. Dick Gustafson, Ph.D., *absent*.

Staff: George Lagos; Larry Johansen; Jack Dianis; Tim Crutchfield; Marty Karlon; and Shannan Hudgins.

Chair Reardon opened the meeting, with her apologies, at 11:09 a.m. On a motion by Trustee Wozmak, seconded by Trustee McGovern, the minutes of the February 7, 2012, Legislative Committee were unanimously approved.

Chair Reardon asked Jack Dianis to open the Committee discussion of the defined contribution plan bills, SB 229 and HB 1460. Mr. Dianis explained the legislative process for the proposed defined contribution bills, confirming for Committee members that NHRS staff was providing data and testimony at the respective bill hearings.

Mr. Dianis continued with details of HB 1460, which had been originally introduced as a place holder but was amended to include the original SB 229 DC language, and was being voted on by the full House that day. Normally after this vote the bill would have gone to a second House committee, in this case House Finance. This didn't happen because earlier in the month, the House suspended their rules and allowed the pension committee that Rep. Hawkins chairs, more time to work on the bill. This time extension did not permit another House committee time to work on the bill before it was required to crossover to the Senate. He stated that

pending the vote on the House floor, he anticipated the bill would move directly to the Senate.

Mr. Karlon informed the Committee that Rep. Hawkins wanted his pension committee to do more work on the bill after it moved to the Senate. Rep. Hawkins had asked his committee members to send him questions regarding the bill (he received four responses to date), and Mr. Karlon reported that the representative's intention was to have work sessions to research the questions. Copies of the questions were to be sent to the Committee members following the meeting.

Following a query from Chair Reardon regarding legislative practice and protocol, Mr. Dianis answered that following crossover, members of the House might fold HB 1460 into SB 229, which would provide them the vehicle to proceed with their intended work sessions.

Mr. Lagos spoke to the summary of issues regarding HB 1460 that had been provided to Committee members in advance of the meeting. He requested Committee members to review carefully the memorandum and provide any commentary. Additionally, Mr. Lagos asked for the Committee's consideration of the Board taking a position on the DC legislation.

After discussion, on a motion by Trustee McGovern, seconded by Trustee Wozmak, the Committee unanimously voted to recommend to the full Board that it formally oppose HB 1460 and direct Staff to produce an appropriate statement reflecting the Board's opposition for the Board to consider at its next meeting.

Mr. Karlon discussed the Legislative Tracker, noting SB 244 and ESDP calculation clarifications were likely to be included in the final bill, noting that there had been no intent for the calculation to incorporate "zeros" for ESDP income prior to July 1, 2009 in a manner detrimental to currently retiring members. Part-time work definition details were also in SB 244, and Mr. Karlon stated that the language in the bill revealed a possible disconnect between what the House and what the Senate considered reasonable hours in working after retirement. Both Committee members and staff concurred that the NHRS was not the keeper of part-time workers' accumulated hours.

Mr. Karlon closed by stating that HB 654, the employer contribution refund bill which was opposed by the Board, was voted inexpedient-to-legislate and was considered dead.

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Chair Reardon asked for any ancillary discussion items not yet covered. Mr. Lagos reported legislative costs to the System from July 1, 2011 through the end of March 2012, as \$165,000 unrelated to HB 2, and \$300,000 in external costs *only* for implementation of HB 2 to accommodate legislative changes. Of that amount, legal fees were \$175,000 for implementation and \$5,000 for litigation. Approximately, \$121,000 for software, with that figure representing only the beginning of the implementation software costs. In response to a question from Trustee McGovern, Mr. Lagos stated he would explore the flexibility of software builds in anticipation of future court decisions impacting NHRS.

Having concurred that another Committee meeting was not necessary before April 10, 2012, on a motion by Trustee Wozmak, seconded by Trustee McGovern, the meeting adjourned at 12:06 p.m.

Respectfully submitted,
Shannan Hudgins